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Congress of the United States
U.S. House of Representatives
COMMITTEE ON WAYS AND MEANS
WASHINGTON, DC 20515

SUBCOMMITTEE ON HEALTH

October 5, 2005

**Another Step Closer to the New Medicare Drug Benefit -
49 States Have Plans for Less Than \$20/Month**

Dear Colleague:

The Centers for Medicare and Medicaid Services (CMS) recently announced information on the Prescription Drug Plans (PDPs) and Medicare Advantage (MA) plans that will be available to provide prescription drug coverage to seniors beginning January 1, 2006.

The information provided by CMS demonstrates that market competition among prescription drug plans is clearly working. Stand-alone PDPs will be available in every state. Between 11 and 20 organizations will offer prescription drug plans in each region throughout the country, providing seniors with choices to find the plan that is best for them. Ten organizations will offer drug coverage nationwide.

Competition among plans is driving down costs and delivering greater value to seniors. In every state but Alaska, there is at least one prescription drug plan with a premium of less than \$20 a month. The national average premium for prescription drug plans is \$32.20, 14 percent less than was estimated by CMS earlier this year.

Options have also increased through the Medicare Advantage program. In 44 states, beneficiaries will be able to choose a Medicare Advantage plan that charges no additional premium for prescription drug coverage. In 37 states, beneficiaries will have the option of enrolling in a state-wide Preferred Provider Organization (PPO) plan.

Seniors will receive more information on their plan choices in the coming weeks through CMS mailings, plan marketing materials, and other publications. Seniors can sign up for coverage beginning November 15, 2005. Members of Congress will be important partners in the education effort as beneficiaries and their families make choices about prescription drug coverage. We look forward to continuing to work with CMS as we approach the beginning of a long-awaited drug benefit for our Medicare beneficiaries.

Should you have any questions, please contact Kathleen Weldon with the Ways and Means Health Subcommittee at x53943.

Very truly yours,



Nancy L. Johnson
Chairman, Subcommittee on Health
Committee on Ways & Means